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25 July 1953

EYES ONLY

MEMORANDUM FOR: Acting Deputy Director (Administration)

SUBJECT : General Services

1. PROBLEM.--Consideration of proposal contained in memorandum dated 22 July 1953 (Appendix A), to abolish the General Services Office and transfer the Space, Maintenance and Facilities Division and the Printing and Reproduction Division to the Logistics Office and the Records Services Division to the Comptroller's Office.

2. ASSUMPTIONS.--

- (a) That the para-military function of CIA will continue to be performed within the agency and will continue to require logistical support.
- (b) That the efficiency of operation of the General Services Office has been satisfactory.
- (c) That the reasons for the consideration of the proposal are:
 - (1) Possible economies.
 - (2) Physical relocation of the General Services Office in space contiguous to the Logistics Office.
 - (3) More efficient operation.
- (d) That sound organizational concepts will serve as the basis for a decision.

3. FACTS BEARING ON THE PROBLEM.--

- (a) The Director stated on 8 May 1953 at the Tenth Agency orientation Course that the possible transfer of the para-military function from CIA to the Department of Defense was under consideration. The Acting DD/A has stated that no decision has been made concerning this matter.
- (b) The functions of the General Services Office are as follows:
 - (1) PRINTING ADVISORY STAFF - Responsible for the review of Agency publications, advising on the format and reproduction of intelligence and Political and Psychological Warfare material.

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(2) SPACE, MAINTENANCE AND FACILITIES DIVISION - Responsible for space acquisition, utilization, planning and assignment and the furnishing of motor pool and telephone services in the departmental area.

(3) PRINTING AND REPRODUCTION DIVISION - Responsible for the performance of printing and reproduction services for departmental activities and the procurement of such services from the Government Printing Office and other Government Agencies as required.

(4) RECORDS SERVICES DIVISION - Responsible for records surveys; the Vital Materials Program; forms, correspondence, and administrative reports control; standardization of filing equipment and supplies; establishment and maintenance of an Agency Filing Index; operation of an Agency Records Center; receipt, dispatch, and distribution of mail; and the operation of mechanical facilities for the economical maintenance of record data and preparation of reports and other information required from such records.

(c) The Printing Advisory Staff, which has been in existence only since 24 February 1953, has surveyed the NIS and [REDACTED] publications and its recommendations will result in substantial improvements and increased efficiency in the method of processing these reports; and, in the case of the [REDACTED] publications, its 25X1A7a study will result in an estimated saving of \$59,000 annually.

(d) During the fiscal year 1953 the General Services Office acquired 427,676 square feet and agreed to release 135,026 square feet of office and warehouse space and is presently responsible for the operation and maintenance of a total of approximately 1,322,540 square feet of space in 31 different buildings. The performance of the space acquisition, utilization, and assignment activity has been efficient, and the assignment and utilization of the recently acquired space was approved by the Acting DD/A on 30 June 1953. Based upon present personnel ceiling limitations recently imposed by Congress, the Agency now has all of the space it will require for future operations. The telephone and motor pool services have been performed efficiently in that we have not had any criticisms or complaints regarding these services.

(e) The Printing and Reproduction Division has performed a very efficient job, having produced a total of 110,109,924 impressions during the past fiscal year, and the General Services Office has received numerous commendations for its work.

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(f) The Records Services Division has, under the General Services Office, for the first time in the Agency established an agency-wide records program, which is now in operation and is to be improved in accordance with existing plans. This program will eventually result in economies estimated at \$300,000 annually in avoiding the purchase of filing equipment, and the operation of an Agency Records Center, which has been proposed, will represent a total saving of approximately \$1,000,000. In a recent records survey of the operations of the Records Integration Staff, Foreign Intelligence Staff, DD/P, recommendations were made which, if approved, will result in the abolishment of approximately 143 positions and in a savings estimated at \$929,100. The training of [redacted] CIA employees in the field of records management during the past fiscal year was highly praised by the Director of Training and his subordinates, and many expressions of appreciation were received from personnel who attended the course. An Agency Filing Index manual is nearly completed, an improved correspondence manual is now in process, and within the next few months a manual will be prepared and issued on the forms and administrative reports control programs. In addition, specialized training courses in each of the fields of records management are intended to be offered for Area Records Officers and other interested personnel. The Vital Materials deposits to date consist of nearly 8,000,000 documents which have been deposited under the supervision and management of the Records Services Division. The Machine Records Branch of the Records Services Division is maintaining record information for the Comptroller's, Logistics, Personnel, General Services, and Training Offices, and is now planning several projects of operational data as requested by the FI Staff, DD/P, and the Office of Communications. We have received numerous commendations for the support given by this activity, most of which have been verbal, and we have received no criticisms or complaints of any description regarding the efficiency of its operation.

(g) During the fiscal year 1953 the General Services Office received an exact total of 50 written commendations for services which it has performed. Many other commendations not reduced to writing have been received.

(h) The only apparent economy that could be effected by the proposal would be the consideration of eleven (11) positions in the Office of the Chief, General Services. Three (3) of these positions are in the Printing Advisory Staff, which should continue to exist regardless of location. Because of the nature and sensitivity of the work handled by the activities of General Services, particularly the Printing and Reproduction Division, the Machine Records Branch, and the Agency Records Center, a full time Physical Security Officer

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would be required in any case to maintain and improve the security of these facilities. The distribution of [redacted] employee positions would still continue to require administrative supervision, processing of personnel actions, etc., and this could hardly be done with less than the one individual who is now performing this function. One other additional position exists in the T/O for this purpose, but is not now and will not be filled. The one employee who is now performing the function of time and attendance and mail logging and distribution could hardly be eliminated. The other positions, consisting of the Chief and Deputy Chief, and their secretaries, would undoubtedly be replaced in the Offices receiving the functions by staff personnel who would assume the responsibility for full time supervision and administrative details now performed by the individuals occupying these positions. The supervision of [redacted] employees is a major one and the diversity of responsibility and functions requires individuals possessing experience in these fields.

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(i) It is impossible under the present conditions to physically locate the General Services Office in space contiguous to the Logistics Office without unreasonably and unnecessarily disturbing other activities now occupying space in Quarters Eye. If this were possible, our present plans would include such displacements in order to relocate all of the activities of the Logistics Office in Quarters Eye, which is not now possible.

(j) It is hard to visualize how more efficient operations could be effected. The Chief and Deputy Chief, General Services, are constantly reviewing methods and procedures of operation and maintain an improvement program for each activity of the General Services Office. Substantial improvements in many respects have been made and are planned to be made during the current fiscal year. The accomplishments and objectives report now in process of preparation will supply additional details not contained in this study. It is believed that the reassignment of these functions would result in the lack of continuity of the programs already established.

(k) The basis of sound organization incorporates the following principles:

- (1) The placing of like functions together under a common supervisor.
- (2) Consideration of the centralization of authority required to perform assigned responsibilities.
- (3) Consideration of the area of responsibility, contacts, and relationships.

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(4) The need for unity of command.

(5) Consideration of the span of control required to be exercised.

(1) The Logistics Office was organized and constituted primarily for the purpose of supporting field activities. Webster defines "Logistics" as "that branch of the military art which embraces the details of the transport, quartering, and supply of troops." The Logistics Office, as now constituted, includes these responsibilities.

(m) The General Services Office was organized and constituted primarily for the support of departmental activities performing intelligence, operational, and administrative functions.

(n) The Department of State has recognized the division of departmental support and field support in the creation and existence of the Division of Central Services, which is responsible for departmental space, supply, telephone, reproduction, and other activities similar to those performed by the General Services Office; and the Foreign Buildings Operations, which is responsible for acquisition and management of all real property outside the departmental area, primarily in foreign countries.

(o) The Department of the Army in the Department of Defense has recognized the division of departmental and field responsibility in that the Administrative Assistant to the Secretary of the Army is responsible for departmental space, supply, records management, and other similar functions; responsibility for field support is placed with the Technical Services, i.e., Quartermaster, Engineers, Ordnance, Chemical Warfare, Signal Corps, etc.

4. DISCUSSION.--

(a) In August, 1952, when the Transportation and Real Estate and Construction functions were transferred from Administrative Service (now the General Services Office) to the Procurement and Supply Office (now the Logistics Office), the concept, as described by the Acting DD/A, upon which these changes were effected was that the new existing Logistics Office would exist primarily for field support and the General Services Office primarily for departmental support. These organizational changes were sound and logical and were in keeping with experience of other Government Departments, particularly that of the Department of the Army.

(b) The only function now performed in the Logistics Office which is a departmental support responsibility is that of departmental supply. On several occasions I have personally discussed the

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possible transfer of this function to the General Services Office with the Acting DD/A and the Chief, Logistics Office, which would provide improved, efficient and more economical operation. This proposal was apparently not seriously considered in view of the fact that no action has been taken.

(c) The proposal considered herein to abolish the General Services Office and to transfer its activities to the Comptroller's and Logistics Offices would break down the concept of division of departmental and field support by the combining of these responsibilities. Such organization would, in my opinion, represent over-centralization. The supervision of these administrative activities would become more complex, and undoubtedly would result in greater cost, greater delays in accomplishing objectives, and reduced efficiency as the direct result of over-centralization. This contention is borne out in a report to the President by the President's Advisory Committee on Management in December, 1952, by the following statement:

"Experience with prewar efforts to improve the professional quality of housekeeping services auxiliary to all Government operations, by consolidating each of the main services under single jurisdictions, led to disillusion."

(d) The activities which you propose to transfer to the Logistics Office are not truly related to the functions now performed there. The technical support required in connection with the departmental space activity is, and by law must be, obtained from the Public Buildings Service, General Services Administration; and there is no duplication of responsibility, contacts, nor relationships in the performance of the space and maintenance functions now in the General Services Office. In addition, competent supervisors with technical education and knowledge are now supervising these functions in the General Services Office.

(e) The functions of the Printing and Reproduction Division are totally unrelated to Logistics functions. All of the work performed by this Division, with the exception of PW printing, is done in the support of departmental activities. Probably 80 per cent of the work is done in support of intelligence activities under the DD/I and the other 20 per cent in support of departmental DD/A and DD/P activities.

(f) The use of the word "Management" in considering the functions of the Records Services Division confuses "Records Management" with "Organization and Methods". Management may be applied to

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any administrative activity, including personnel management, budgetary management, and many others. There is no more relationship between the Organization and Methods Service under the Comptroller's Office and Records Management than there is between the Medical, Personnel and Training Offices, all of which deal with management of the individual employee. As I understand, Organization and Methods Service is considered to be a staff function, with no operating responsibility, dealing with all phases of administration and intelligence. Records Management is a speciality in the field of administration and does not in any manner duplicate nor overlap with those functions performed by the Organization and Methods Service. It should be remembered that previously the Records Management Branch belonged to OCD and was transferred from that Office to the former Administrative Services Office (now General Services Office) and there was no hue or cry at that time that this would duplicate or conflict with the functions of OEM.

(g) The following statement is taken from the Task Force Report on Records Management prepared for The Commission on Organization of the Executive Branch of the Government (Hoover Commission) written in January, 1949:

"In some agencies, it has been assumed that the existence of more or less well-equipped planning offices, methods and procedure units, or management-control staffs will in time at least provide the required economies and improvements in records management within the agency. This assumption is not warranted by the experience in the Government to date, nor is it warranted by experience in industry. Exceptions are sufficiently limited to underscore the fact that this assumption is honored more in the breach than in the observance."

The Records Services Division is a facility that the Comptroller's Office and the Organization and Methods Service should utilize in the performance and furtherance of their work in the same manner as every other administrative activity under the DD/A is utilized. It is not necessary that they control and supervise in order to utilize it. As a matter of fact, experience in other Government Agencies has indicated, as substantiated by the statement quoted above from the Hoover Commission Report, that the existence of these programs side by side under a common supervisor leads to the over-emphasis of one and the lessening of the emphasis

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on the other. This is not desirable, as the existing law requires the establishment and maintenance of a full scale records program. To transfer this responsibility under the Comptroller would place the Comptroller in a position of performing an operational type of administrative function which, in the review and audit of the program in the performance of his function as Comptroller, he would be unlikely to criticize or recommend changes which might be necessary and indicated. In addition, records services are totally unrelated to the performance of the budgetary and financial functions which belong to the Comptroller.

(h) The Machine Records Branch of the Records Services Division is now supporting activities throughout the agency; and, within the next two years, it is expected that there will be as many operational applications of machine techniques to the maintaining of intelligence data as there now exist in the administrative field. This activity therefore belongs in a support unit providing agency-wide service, and it has no relationship to financial services.

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(i) The physical location of the General Services Office in Quarters Eye is possible at a future date when the Technical Services Staff is moved from Quarters Eye to the [redacted] and when it may be possible to obtain space in [redacted] which may be used for relocation of the WH Division of DD/P, now in Quarters Eye. The location of the General Services Office in Quarters Eye is impossible at this time.

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5. CONCLUSIONS.--

- (a) There is a real need for the existence of the General Services Office as a separate organizational unit based upon sound organizational concepts and functional responsibility. Experience of other Government Departments supports this finding.
- (b) Efficiency of the operation of the existing General Services Office is apparently satisfactory in view of its accomplishments during the fiscal year 1953 and, further, since no statements to the contrary have been made.
- (c) There does not appear to be any justification or necessity for the abolition of the General Services Office and the transfer of its activities as proposed.

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6. ACTION RECOMMENDED.--That the General Services Office as presently constituted, with functions as now assigned, remain intact and that the responsibility for departmental supply be transferred from the Logistics Office to the General Services Office.

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Chief, General Services Office

ANNEXES:

Appendix A - cc Memo PR-4-3614 and 22 July 53
from Acting DD/A

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